

# Mervyn M. Mosbacher

## United States Attorney

### Southern District of Texas

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First Quarter, 2001



For the past two years it has been my privilege to serve the people of the Southern District of Texas as United States Attorney. This district is a dynamic, diverse and productive area, an engine driving the rest of the State and the Southwest Border region. This very energy and dynamism present a special challenge to law enforcement. That challenge has been well met thanks to the hard work of the best group of employees, attorneys and support staff to be found in any United States Attorney's office in the country. These efforts have been made possible through the tremendous work done by federal agents and law enforcement agencies in this district, and by their state and local law enforcement partners. This law enforcement team has accomplished great things benefitting the people living in this District and the nation as a whole. We have led the Southwest border

region for the past two years in the fight against illegal drugs, attacking the drug trafficking organizations by prosecuting the greatest number of complex cases through the Organized Crime Drug Enforcement Task Force.

Our district has been very aggressive in targeting career criminals and criminal predators who victimize our citizens. During the last two years, we have worked with State and local authorities to implement a gun violence reduction program that targets felons in possession of firearms and other federal gun criminals. Last year, we ranked third among all of the districts in the nation in the prosecution of federal gun violations. We have significantly increased the number of such prosecutions this year. We led the nation last year in the number of prosecutions of persons traveling to have sex with minors, and ranked second in the number of possession of child pornography cases prosecuted. We are consistently among the top three districts in the prosecution of criminal aliens, especially those with violent or drug dealing prior felony convictions, that illegally re-enter this country after being deported. We continue to aggressively prosecute immigrant smuggling organizations, with special emphasis on those that force victim immigrants into some form of human bondage or prostitution. During the past two years, the number of white collar prosecutions in the district has increased significantly. Our district has been successful in prosecuting public and law enforcement officials who violate the public trust. We also have been active in pursuing those who have despoiled our natural resources in violation of law and have put the public-at-large and individual victims at risk of exposure to dangerous substances and materials. Our appellate section has done a great job in protecting the convictions obtained by the criminal trial sections when they are reviewed by a higher court. The civil division continues to do an excellent job of representing the interests of the United States in civil actions filed by and against the government. We are making the criminals pay by taking their ill-gotten gains from them with our asset forfeiture program. Our district was third in the nation last year in the amounts of money and other assets forfeited and collected from criminals. The money recovered by this district far exceeds the annual budget that it takes to run the office. Our efforts result in a substantial "net profit" for the people of this country.

I am proud of the active support for local law enforcement in the district through the Law Enforcement Coordinating Committee. The COPS Education Project and the RIONet interagency information sharing initiative are examples of the engagement of the LECC with leading law enforcement issues. The district is nationally recognized for its active and innovative community-based public safety programs. We currently sponsor ten Weed and Seed communities and ongoing technical assistance to communities for strategic planning in juvenile crime prevention.

I will leave this position on May 31<sup>st</sup>. It has been an honor to work with so many hard-working and talented public servants. I thank you all. Most especially, I thank the employees of the Southern District of Texas for their kindness and support. I wish you all the best.



**UNITED STATES ATTORNEY'S OFFICE  
SOUTHERN DISTRICT OF TEXAS  
BROWNSVILLE, TEXAS**



*The U. S. District Courthouse was dedicated in June 1999, a couple of months after Mervyn M. Mosbacher was appointed U. S. Attorney for the Southern district. It houses two U. S. District Judges, Filemon Vela and Hilda Tagle. Reynaldo Garza, Senior U. S. Circuit Judge, two magistrate judges, and a visiting bankruptcy judge are also housed there.*



This region is defined by the Rio Grande River and the Gulf of Mexico. Brownsville shares the Rio Grande river border with Matamoros, Mexico, and is the closest port to Central America

This newsletter features the Brownsville branch office as we say farewell to U. S. Attorney Mervyn Mosbacker. Mr. Mosbacker grew up in Brownsville, worked as a prosecutor in the Cameron County District Attorney's Office, clerked for Brownsville-based U.S. District Judge Filemon Vela, and served as the Chief of the Brownsville U. S. Attorney's Office prior to his being named United States Attorney. Assistant U.S. Attorneys in the Brownsville Division are responsible for representing the United States in federal criminal and civil matters in the lower Rio Grande Valley area of Cameron and Willacy counties. The cases featured in this section of the newsletter reflect the type of litigation managed in the Brownsville division during the first quarter of 2001.

## DRUG SMUGGLING THROUGH THE RIO GRANDE VALLEY

### TRAINS

Eight people are under indictment in Brownsville after U. S. Customs agents found seven men and over 1,400 pounds of marijuana in travel bags on board a boxcar in Brownsville. Each faces up to 40 years in prison and fines up to \$2 million. AUSA Oscar Ponce.

### PLANES

Carol Glover was catching a plane at the Valley International Airport in Harlingen. Airport police officers found over 6 kilograms of cocaine in her luggage. Glover pled guilty and is scheduled to be sentenced in June. AUSA: Adela Kowalski-Garza.

### MAIL

Brownsville-based DEA agents uncovered a drug trafficking organization that used the mail service to ship marijuana to Tennessee. Over a ton of marijuana was shipped to Tennessee from Harlingen, Texas. Eight defendants received sentences ranging from 112 months to 20 months. AUSA Elsa Salinas.

### MARIJUANA HIJACKERS CAUGHT FOR ATTEMPTING TO STEAL OVER 1,000 POUNDS OF MARIJUANA

Eight men are under indictment on charges relating to the armed robbery of another man's 1,000 pound stash of marijuana. A Brownsville man was shot during a night time raid in which he, his wife, and his two small children were awakened at gunpoint and led out of the house. Investigation by the FBI and Cameron County Sheriff's Office led to the capture of eight men within 3 days of the robbery. They are charged with intent to distribute marijuana and the using of a firearm during and in relation to a drug trafficking offense. The robbery victim was also arrested and indicted for possession of the marijuana in his tool shed. The case is set for trial in May. AUSA: Jody Young.

### 12 YEARS FOR COCAINE DEALER

Jaime Stevens sold cocaine to an undercover DEA agent on several occasions from his residence located across an elementary school in Brownsville. He had previously been convicted for two violent offenses. He received over 12 years. AUSA: Joe Esquivel.



### NO COMMUNITY PROPERTY RIGHTS IN HOME PURCHASED WITH DRUG PROCEEDS

Ricardo Garcia and his spouse Eva purchased the house and land at 5587 Mystic Bend in Brownsville for about \$120,000. Ricardo was convicted on federal drug trafficking charges and his interest in the property was ordered forfeited since it had been purchased with proceeds from drug transactions. Mrs. Garcia claimed that she was an innocent owner and that her community property interests could not be subject to forfeiture. AUSA Ron Morgan represented the Government in a motion for summary judgment on the grounds that there can be no legal community property interest in property that has been purchased with drug proceeds. U. S. District Judge Tagle agreed and ordered Mrs. Garcia's interests forfeited. AUSA Ron Morgan. AGENCY: OCDETF led by FBI & U. S. Customs.

### SEARCH REVEALS DRUGS AND FIREARMS

Juan Medellin-Ibarra had well over 500 pounds of marijuana in his Brownsville home. Agents also discovered an assault rifle under Ibarra's bed, and a loaded 9 mm. pistol in a kitchen drawer along with cocaine residue, cut bags and a scale. A banana clip for the assault rifle was found under the sofa cushions in the living room. Ibarra pled guilty to possession of the marijuana and using a firearm during and in relation to a drug trafficking offense. Ibarra, scheduled to be sentenced in July, faces up to 40 years in prison and fines up to \$2 million. AUSA Jody Young; AGENCY: ATF & DEA.

### SMUGGLER OF ILLEGAL IMMIGRANTS SHOTS ONE OF HIS CLIENTS

Felipe Perez-Hernandez, 24, of Mexico was found guilty of firearms possession by an illegal immigrant. Trial evidence revealed that Perez-Hernandez began drinking with illegal immigrants he had transported to his residence from a half-way house where they awaited transportation to Houston. Perez-Hernandez brandished a semi-automatic pistol, placed it against the head of one of the young female immigrants and dry-fired the gun. He then loaded the handgun and shot her in the chest causing extensive damage and life threatening injuries. AUSA: Lynn M. Kirkpatrick; AGENCY: INS, ATF.



*The rich cultural landscape, dynamic international trade and favorable climate and fertile soil of the Rio Grande Valley make this one of the fastest growing areas of the country.*

### BEEVILLE TRAFFIC STOP THWARTS SMUGGLER'S TRIP TO HOUSTON

Border Patrol Agents were notified by the Beeville Police Department that a van pulled over for a traffic violation contained 19 suspected undocumented immigrants.

The driver of the van, Ramiro Montelongo-Bocanegra, admitted that he was to be paid \$300 for taking his passengers to Houston. An investigation revealed that the group had been taken to a livestock transport trailer in which they were transported north on U.S. Highway 77 to highway 37 near Corpus Christi. The group was then transferred to the defendant's passenger van, driven north until they were stopped by police in Beeville. The defendant pled guilty to transporting illegal immigrants and is set for sentencing in July. AUSA: Lynn M. Kirkpatrick.

## 25 IMMIGRANTS HIDDEN IN TRUCK WITH NO TRAILER

Border Patrol Agents encountered Julissa Jimenez driving a white tractor without the trailer, northbound on Highway 77 near the Sarita Checkpoint which was closed due to weather. The agents found 25 undocumented aliens all concealed within the sleeping compartment. Jimenez pled guilty to transporting illegal aliens and awaits sentencing. AUSA: Lynn M. Kirkpatrick.

## HOLD-OVER HOUSE FOR ILLEGAL IMMIGRANTS

Border  
Patrol  
investigators  
were  
watching a  
Brownsville

area house suspected as a hold-over house. A vehicle departing the residence was followed to a convenience store. The driver and three occupants were found to be undocumented immigrants. Back at the house, the agents encountered an additional sixteen undocumented immigrants. The renter, Pedro Fuentes, pled guilty to harboring illegal immigrants. Fuentes further stated that he was paid to house the immigrants and at different times, vehicles would arrive at his house and drop off various loads of people. AUSA: Lynn M. Kirkpatrick.

## 78 UNDOCUMENTED IMMIGRANTS DISCOVERED AT SARITA

Rogelio Barrios was apprehended by agents of the U.S. Border Patrol at the Sarita Checkpoint for transporting 78 undocumented immigrants in a tractor-trailer. Barrios pled guilty to the offense and faces up to 10 years in prison and fines up to \$250,000. He is scheduled to be sentenced in June. AUSA Edward Rodriguez.

**S**PECIAL PROSECUTION  
*Criminal prosecutions involving  
civil rights, public corruption, organized  
crime and environmental laws*

## BRIBING INS FOR IMMIGRATION DOCUMENTS

Four Houston residents were arrested by FBI and INS agents with assistance from the Houston

Police  
Department.  
The four were  
indicted for  
unlawfully  
obtaining  
immigration  
documents.  
The  
indictment  
alleges the  
defendants  
obtained

immigration documents from an INS employee posing as a corrupt agent. The agent was willing to provide temporary and permanent residence cards (Forms I-551) in exchange for sums between \$8,000 and \$15,000 per document. These documents would enable immigrants to legitimize their presence in the U. S., earn employment in the U. S., and apply for citizenship. Three defendants have pled guilty and face up to 15 years for each bribery count and five years for conspiracy. The indictment pending against the fourth charges he paid \$15,000 for a visa for himself and \$10,000 for his wife's visa. Trial is scheduled for May 30th. Defendant faces up to 55 years imprisonment, deportation, and fines up to \$1 million.

In related cases Nataliya Zabolotska, of the Ukraine, and Yelena Priss, of Russia, were charged in separate cases for unlawfully obtaining visa documents from an INS agent. Priss, who pled guilty to visa fraud, is scheduled to be sentenced on June 4<sup>th</sup>. Zabolotska, guilty of participation in a conspiracy to unlawfully obtain immigration documents, is scheduled to be sentenced on June 26<sup>th</sup>. Both women face up to ten years, deportation, and fines up to \$250,000. AUSA: Ed Gallagher.

### **AGENT CONVICTED OF VIOLATING MEXICAN NATIONAL'S CIVIL RIGHTS**

Former Border Patrol Agent David Sipe was convicted in McAllen of violating a Mexican National's civil rights by using excessive force in arresting an immigrant. On April 5, 2000 David Sipe, a Border Patrol Agent in Penitas, Texas arrested a man who had crossed the border from Mexico. Sipe struck the man in the head with a flashlight causing a gash requiring five staples to close. The maximum statutory sentence Sipe faces is ten years in prison and up to a \$250,000 fine. AUSA:

Ruben R. Perez of the Houston Division & Fedrick Menner, DOJ Civil Rights Division; AGENCY; DOJ-OIG.

### **VA EMPLOYEE MAKES FAMILY MEMBER A VETERAN**

Ramona Geary, an employee of the VA, used her position to add her son Val Davis to the VA benefits computer system causing him to be paid nearly \$200,000 in Veteran's benefits. Geary and Davis, who was never in military service, pled guilty and face up to 5 years and up to a \$250,000 fine. AUSA: Larry Eastepp; AGENCY: VA-OIG & Houston Postal Inspectors.

### **FORMER SSA EMPLOYEES OBTAINED OVER 200 FRAUDULENT SOCIAL SECURITY CARDS**

Stephanie Lynn Woods and Sharlene Elaine Woods entered personal information from social security application forms into the computer data base causing social security cards to be issued to over 200 individuals who were not authorized to receive them. Both women were employees of the Houston Office of the Social Security Administration (SSA).

The information they entered into the SSA computers falsely represented that certain alien applicants were lawfully admitted into the U.S. and permitted to work. The women also obtained personal background information from the computers and provided the information to others to facilitate credit card fraud. Stephanie Woods who paid Sharlene Woods for obtaining the information was sentenced to 27 months imprisonment for her leadership role in the scheme. Sharlene Woods, no relation to Stephanie Woods, was sentenced to 6 months home confinement and

5 years probation. AUSA: Edward F. Gallagher; AGENCY SSA-OIG & INS.

***20 YEARS FOR EXTORTION  
Hien Tan Hoang, who was a fugitive was sentenced to 20 years in prison for an extortion scheme. Hoang, the last of four defendants charged, fired several shots into the ceiling of the Vu Bida Billiards threatening to kill the owner and his family for cooperating with federal authorities. Hoa Duy Dinh was convicted following a jury trial in August 2000. His sentence was 35 years for his role as leader of the gang. AUSAs Edward F. Gallagher & Larry Eastepp***

### **SENTENCED FOR CHECK KITING**

Alfred J. Antonini of Hayward, California, and James G. Lomonaco of Houston, were sentenced to Federal prison for conspiring to defraud financial institutions in a check kiting scheme involving over a million dollars. U.S. District Judge Sim Lake sentenced Antonini

to 60 months in prison and fined him \$175,000. Lomonaco, Antonini's long time business associate, received 30 months in prison and a \$7,500 fine. Both pled guilty to a conspiracy charge related to a check kiting scheme that centered around various real estate-related bank accounts in Houston and California. AUSA: Larry Eastepp and Edward Gallagher; FBI-Texas City.

## ENVIRONMENTAL CRIMES

*The Environmental Crimes Unit specializes in enforcement of environmental protection laws.*

### CONVICTION IN ASBESTOS VIOLATION

Guilty verdicts were returned in the first federal asbestos criminal case prosecuted in the district. Eric Kung-Shou Ho of Houston was convicted following a six-day trial. The case involved the renovation of the abandoned Alief General Hospital in Houston.

Ho hired undocumented workers from Mexico to scrape asbestos-containing fireproofing from metal beams in the building, working at night in order to avoid detection. Ho failed to warn the workers of the dangers of asbestos exposure, and failed to provide them with adequate protection from exposure to asbestos. The illegal abatement came to the attention of federal authorities when an explosion during the renovation led to an OSHA investigation. Ho and two of his corporations had previously been fined \$1.1 million for willful and serious violations of OSHA asbestos regulations during the renovation. Ho was sentenced to 2 months community confinement and fined \$20,000. Escobedo received one year probation and was fined \$1,000. SAUSAs: John C. Emerson & Suzanne F. Dunne of the Department of Labor; AGENCY: EPA & DOL.

### UNLAWFUL STORAGE OF HAZARDOUS WASTE

Eurecat U.S. Inc., a New Jersey corporation in the business of reclaiming spent catalyst, allowed approximately 2,000 tons of hazardous waste containing benzene to be stored unlawfully at its Pasadena facility. The hazardous waste had been originally generated by Phillips 66 Company. Eurecat who only had permission to store waste scheduled for regeneration by them was sentenced to two years probation and assessed a \$25,000 fine.

Additionally, a federal judge will supervise Eurecat's community service payment of \$150,000 to the City of Houston Environmental Criminal Enforcement Unit. This money will be used to strengthen the Environmental Criminal Enforcement Unit's ability to enforce environmental laws in the Houston area. Eurecat pled guilty to unlawfully storing hazardous waste without a permit. AUSA Joe Magliolo and SAUSA John Emerson; AGENCY: EPA.

### E-COMMERCE IN ENDANGERED SPECIES

Robert Scott Babb and Ronny Lee Moreau offered boots made out of sea turtles for sale on the Internet through their business, "Boot Boys." Sea turtles are an endangered species. Babb and Moreau were convicted of selling sea turtle boots and received probation and \$2,000 fines. AUSA Joseph C. Magliolo, Jr.; AGENCY: National Oceanic and Atmospheric Administration.

## WHITE COLLAR CRIME

*Through the district's Healthcare Fraud Working Group the Home Healthcare and Nursing Home Abuse Working Group our litigations teams coordinate criminal and civil enforcement measures and the investigative resources of federal and state agencies to target those in the healthcare industry who cheat, and those who violate the law in the care of the most vulnerable and elderly.*

### WESTLIGHT FINANCIAL STRATEGIES OWNER INDICTED FOR TAX REFUND SCHEME

Vernard Wrotten, owner of Westlight Financial Strategies, was indicted for filing false tax returns. Indicted with Wrotten were two former employees of Westlight Financial, Randolph Corbitt and Doyle Smart. The indictment alleges that Wrotten, Corbitt, and Smart conspired to aid the filing of approximately 530 false income tax returns for the years 1994 through 1996. If convicted, Wrotten, Corbitt, and Smart each face a possible sentence of five years imprisonment and a fine of \$250,000. AUSA: Albert Balboni; AGENCY: IRS.



### **CITY OF HOUSTON EMPLOYEE GUILTY OF INCOME OF REFUND SCHEME**

Carl Barnett pled guilty to five counts of filing fraudulent claims for income tax refunds for 1996 and 1997. Barnett, a senior payroll clerk for the City of Houston, was on parole for a murder conviction from the early 1980's when he committed the federal offenses. Barnett admitted that he had conspired with Daniel Webb to file false claims for refund with the IRS, and that Webb solicited individuals to provide their names and social security numbers which Barnett used to prepare false W-2 Forms. Together they filed at least 18 fraudulent income tax refund claims. Both face a possible sentence of ten years imprisonment and a fine of \$250,000 for the conspiracy count.

AUSA: Albert Balboni;  
AGENCY: IRS.

### **LAREDO BAIL BONDSMAN**

#### **COLOR-CODED BOOKS**

Gregorio Castaneda pled guilty to making false statements on his 1996 and 1997 income tax returns. Castaneda kept financial records in three books referred to as the "blue book," the "red book," and the "black book." During a tape-recorded conversation, the defendant admitted that the "blue book" and "red book" were "dummy books" used to maintain financial records. Sentencing is scheduled for May 18, 2001. AUSA: Joel Gonzalez; AGENCY: IRS.

### **MOTHER AND DAUGHTER SENTENCED FOR TAX VIOLATION**

Guadalupe Ramirez and her daughter, Lupe Ramirez each received home detention, probation, and a \$2,000 fine. Ramirez pled guilty to making a false statement on a tax return. AUSA: Andrew Bobb.

### **FORMER HOUSING BOARD MEMBER SENTENCED**

Dr. Florita Bell Griffin was sentenced to 57 months in prison. Her partners Terrence Roberts and Joe Walker received 57 months. Evidence at trial showed that Griffin, Roberts and Lee conspired to ensure that \$1 million in tax credits would be awarded to their partnership in a real estate company developing low income housing. AUSA Gary Cobe & Sam Louis; AGENCY: FBI & DPS.

### **INDICTED FOR FILING FALSE PERSONAL INCOME TAX RETURNS**

Mohammad Yazdanfard was indicted for filing false personal income tax returns. The Indictment alleges Yazdanfard failed to report income received in 1994 and 1995 totaling approximately \$556,000. AUSA: Al Balboni; AGENCY: IRS.

### **STOLEN CHECKS NETS 14 YEARS**

Brandon Sample was sentenced to 14 years for his involvement in a scheme to purchase postage stamps with stolen, forged, and counterfeit checks. Sample was convicted of conspiring to launder funds, possession of counterfeit securities, possession of stolen mail, and interstate transportation of stolen

property. Sample, along with two co-conspirators, Terrance Poe and Billy Arrington, used personal checks stolen from the U.S. mail and counterfeit Harris County Sheriff's Office checks to purchase hundreds of thousands of dollars in U.S. postage stamps from

post offices throughout the U.S. The stamps were then sold and the proceeds were used to further the scheme. AUSA: James Buchanan; AGENCY: U.S. Postal Inspectors.

### **LAUNDERING CHECKS**

Cynthia Pacely, Evelyn Joyce Terrell, Antoinette Washington, and Jammie Lusk were stealing checks from mailboxes in a residential Houston neighborhood, then chemically washing the checks to remove the handwritten parts of the checks and recruiting individuals to cash the checks. Pacely and Terrell were sentenced to 33 and 30 months in prison, respectively. Both were ordered to pay over \$309,000 as restitution to the victims. Lusk was sentenced to 26 months in prison and Washington to 15 months in prison. Both were ordered to pay restitution to victims in the amount of \$154,565.03. AUSA: Charles Escher; AGENCY: U.S. Postal Service.



### **PIRATED SATELLITE ACCESS CARDS**

Oscar Nava de Leon, of Mexico City, and Joe Castro were involved in a scheme to distribute 500 pirated computer cards that allowed viewers to access free satellite television service from Galaxy Latin America, an affiliate of Direct TV. The cards were stolen from a manufacturing facility in Juarez, Mexico, imported into the U.S., and illegally programmed in Miami. Nava was sentenced to 30 months for access device fraud, Castro received three years probation. John Lewis; AGENCY: U.S. Customs Service.

### **U.S. CUSTOMS EMPLOYEE SENTENCED FOR STEALING GOVERNMENT MONEY**

Maria Rubio worked as an Imprest Fund Cashier for the U.S. Customs Service in Laredo. Rubio pled guilty to stealing over \$4,000 from the Imprest Fund accounts. She forged the signatures of Customs Service employees to convert the payment of confidential source funds to her own use. She was ordered to repay the money stolen. AUSA: Dixie Morrow; AGENCY: U.S. Customs Service.

### **NFL TEXANS SECURITIES FRAUD**

Edgar Guilbeau, of Pearland, pled guilty to a securities fraud through an Internet website which purported to offer for sale shares of stock in the Houston Texans NFL Team Holding Company. Guilbeau was accused of using information to mislead investors into thinking they were investing in an entity associated with the National Football League. Neither Guilbeau nor his company, the Houston Texans NFL Team Holding Company, are associated with the NFL. AUSA: Richard Berry; AGENCY: FBI & SEC.

### **CHASING CLOSED BANK ACCOUNT CHECKS**

Patrice Cutten pled guilty to bank fraud which occurred while she was employed as a teller at Chase Bank of Texas. Cutten would cash checks presented by co-conspirator and charge them against Chase customer bank accounts, then split the proceeds. AUSA: John Braddock; AGENCY: FBI.

### **DEFRAUDING HUNDREDS IN LOAN SCAM**

David Trevino, of Houston, placed advertisements in newspapers such as the Thrifty Nickel offering loans to persons who were having financial difficulty. Trevino and others told the client in order to receive a loan they had to pay several hundred dollars in up-front fees. Nearly 700 individuals sent in a total of approximately \$200,000 in fees. Not one person received a loan. Trevino admitted that he had no intention of obtaining loans for the people who sent in money. Trevino has pled guilty and faces up to 5 years in prison and up to a \$250,000 fine. AUSA: John Lewis.

### **BORROWING A BANK**

Christian Nwachukwu recruited Ms. Ty Searce to allow Nwachukwu to deposit foreign checks into her checking account. Ms. Searce testified at trial that Nwachukwu promised to pay her \$6,000 for the use of her account. Nwachukwu deposited checks allegedly drawn on the London, England bank account of Mrs. G. N. Olumide totaling almost £30,000. The funds were withdrawn from the Searce account through a series of checks made payable to Nwachukwu before the foreign items could be returned unpaid. Nwachukwu was convicted on five counts including conspiracy, bank fraud, and money laundering. He faces up to 30 years in prison and a fine up to \$1 million when he is sentenced in May. AUSA: James Buchanan; AGENCY: Houston Area Fraud Task Force.

### **HUNTSVILLE WOMAN CASHING FORGED TITLE COMPANY CHECKS**

Tracy Taliaferro was involved in a scheme to defraud East Texas National Bank in Huntsville. Taliaferro was depositing fraudulent checks written on the account of Walker County Title Company with forged signatures into her account at the bank. Taliaferro had been employed at Walker County Title Company until terminated in August of 1999. Bank fraud carries a maximum sentence of 30 years in prison and up to a \$1 million fine. Taliaferro pled guilty and will be sentenced in May. AUSA: John Braddock; AGENCY: FBI.

**SCHEME TO DEFRAUD MERRILL LYNCH**

Mohammed Amin Patel, of Houston, entered a guilty plea in connection with a scheme to defraud Merrill Lynch. Merrill Lynch mistakenly credited \$99,337.74 to an account that Patel controlled under a fake name. Patel was the sole signatory on the account at Merrill Lynch under the name "Saroosh Khan". Patel promptly withdrew the money and ignored all efforts by Merrill Lynch to contact him. Patel pled guilty and will be sentenced in June. AUSA: John Lewis; AGENCY: FBI.

**DO THE MATH, FILE THE REPORT**

Michael Maass was carrying about \$100,000 in U.S. currency as he boarded a flight from Houston to Amsterdam. Maass told the U.S. Customs Inspectors, he was aware of the reporting requirement, but denied carrying over \$10,000 cash. The inspectors found cash in a hollowed out perfume box. Maass pled guilty to filing a false report and faces 5 years in prison and a \$250,000 fine. AUSA: John Lewis; AGENCY: U.S. Customs Service.

**Y2K PROBLEMS**

Dolores Juntilla, of Houston, operated a company called Omega with offices in Houston, San Francisco and Manila. Omega offered investors an on-line foreign exchange trading service. Clients from around the world wire-transferred approximately \$5 million of investment funds to Omega's accounts. Juntilla provided investors with currency trading software and told investors that Omega would use the software to match their trades with a bank, hedge fund, or other major investor who would take the opposite side of the investor's positions. In reality, all Omega's software did was generate reports making it appear that a trade had taken place. Juntilla admitted that Omega suffered financial difficulties in late 1999, but attributed the difficulties to Y2K problems, specifically, a run on a bank. Juntilla explained that the Y2K problems caused her to close Omega's San Francisco office and to move all of Omega's operations to Houston. Juntilla entered a guilty plea and will be sentenced in May. AUSA: John Lewis; AGENCY: FBI.

## HEALTH CARE FRAUD INDICTMENTS

**WIC PROGRAM FRAUD**

Six Houston Women were indicted for defrauding the Women, Infants and Children Program (WIC). The indictment alleges that Myra Parker Beckworth, a City of Houston employee and a Senior Nutritionist and Site Manager for WIC, used her position and authority to approve persons for WIC food vouchers. The WIC Program is a federally funded nutrition program for low income women, infants and children, administered by the USDA and the Texas Department of Health. The City of Houston provides WIC sites around the city for the delivery of services. The indictment alleges that women applied for and received WIC vouchers after Beckworth fraudulently approved their applications. The indictment further alleges that among the persons who received benefits but did not qualify for them were employees of the City of Houston, school teachers, and others. If convicted of the charges, Beckworth faces up to 30 years imprisonment and fines of \$1 million. AUSA: Cedric L. Joubert; AGENCY: FBI & USDA.

**AUTO ACCIDENT CLAIM FILES REOPENED**

Seven individuals been charged with conspiracy and insurance fraud. The indictment alleges that Myra Sykes reopened closed automobile accident claim files and then fraudulently issued State Farm checks. Insurance fraud carries a maximum sentence of ten years in prison and up to a \$250,000 fine. AUSA: John Braddock; AGENCY: FBI.

**TELEMARKETING SCHEME****SELLING TELEPHONE CALLING CARDS**

Swiss authorities arrested Jose Manuel Diaz Salin on an indictment filed against him in Houston in 1999. The indictment alleges that Diaz Salin directed a fraudulent telemarketing scheme under the name Insnet World Communications, Inc. ("Insnet"). Insnet allegedly solicited investment money from people

throughout the U.S. by making them believe, falsely, that Insnet would use money they invested to earn profits selling telephone calling cards. The indictment further alleges that Diaz Salin transferred hundreds of thousands of dollars of investors' money to his own personal bank account and then abandoned Insnet's offices and disappeared after July 1997. Diaz Salin faces up to 20 years in prison and a fine up to \$1 million. AUSA: John Lewis; AGENCY: FBI.

#### **TWO HOUSTON MEN CHARGED WITH ERISA FRAUD**

A federal grand jury returned an indictment charging W. Sherman Adcock and James D. Smith with one count of ERISA fraud. The indictment alleges the defendants embezzled approximately \$10,750 assets of U.S. Benefit Trust. The trust was an employee benefit plan of U.S. Staffing, Inc., subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"). AUSA: John Braddock.

#### **HOUSTON WOMAN INDICTED FOR ENDORISING U.S. TREASURY CHECKS**

Delia Becerra, 21, was indicted by a federal grand jury on 39 counts of knowingly receiving fraudulently endorsed U.S. Treasury checks. The indictment alleges that Becerra knowingly received 39 fraudulently endorsed U.S. Treasury checks. The defendant faces up to ten years confinement and up to a \$250,000 fine. AUSA: Daniel Rodriguez; AGENCY: U.S. Secret Service & U.S. Postal Service.



## **CIVIL MATTERS**

#### **SUE YOU, SUE ME**

Tewani Imports sued Norwest Bank in Laredo alleging that because Tewani deposited forged postal money orders in their account, the bank wrongfully debited the business' account to repay the Postal Service. Norwest Bank in turn sued the Postal Service. The Postal Service filed a counterclaim for funds due it from the Bank. The Court found against the bank and awarded \$198,749 to the U.S. Postal Service on its counterclaim. AUSA: Hector Ramirez (Laredo); AGENCY: Postal Service.

#### **CORPS OF ENGINEERS' TRINITY RIVER PROJECT ACTION UPHELD**

The Sierra Club filed papers to enforce a 1973 injunction they claimed barred the U.S. Army Corps of Engineers from taking action on the Trinity River project. AUSA Andrew Bobb represented the Corps and prevailed on the grounds that in 1987 the Court of Appeals vacated the 1973 injunction leaving nothing to enforce.

#### **EMPLOYMENT SUITE DISMISSAL UPHELD ON APPEAL**

A Brownsville Border Patrol agent claimed that her supervisors harassed her and was entitled to monetary damages. Brownsville-based AUSA Nancy Masso represented the INS and prevailed on evidence that there was no found hostile environment in the workplace that adversely affected the terms and conditions of her employment. On appeal, the Court of Appeals agreed and affirmed the District Court.

**DRUG TASK FORCE**

*Drug Trafficking ranges from distribution operations to smuggling enterprises transporting huge amounts of narcotics. Our district leads the Southwest region in the interdiction of marijuana and cocaine being smuggled into the country.*

**35 YEARS FOR NARCOTICS OFFENSES**

James Woodley, of Houston, along with a co-defendant, delivered approximately 500 grams of crack cocaine to a DEA informant in Houston. Co-defendant Joe Taylor, Jr. pled guilty and was sentenced to 9 years.

Woodley was sentenced to 35 years, enhanced by possessing a firearm during a narcotics transaction. AUSA: Marc Miller.

**CARRY ON LUGGAGE NETS 20 YEARS**

Travis Byrd of Newport News, Virginia and an accomplice were returning home from Houston. An alert Houston Police Officer at Hobby Airport spotted what appeared to be a bulge in the clothing of Byrd's accomplice, who confessed when confronted by the officer. Byrd was arrested with 4 kilos of cocaine aboard his flight destined for Virginia. Prior to his arrest, Byrd had boarded the flight and stowed his cocaine in the overhead luggage compartment. The Houston Police Officers and drug detecting canine were members of a Federal Drug Task Force assigned to patrol the local airports, train stations and bus depots. Byrd's accomplice is serving a 29-month sentence. Byrd was sentenced to serve 235 months in federal prison. AUSA: Jimmy Sledge.

**ORGANIZED CRIME  
DRUG TASK FORCE**

*Prosecutors work on long-term investigations with multi-agency teams such as the Organized Crime Drug Enforcement Task Force. OCDETF is one of the oldest and most successful working group of local, state and Federal investigative agencies whose mission is to dismantle major drug organizations. Houston is headquarters for the Southwest OCDETF region which includes the Texas, Arizona, New Mexico and California border areas.*

**I-THOUGHT-IT-WAS-MARIJUANA DEFENSE  
FAILS FOR METH TRAFFICKER**

Vicente DeLeon drove his 1985 Dodge Caravan to the U.S. Border Patrol Checkpoint located on Highway 59, west of Freer, Texas. During primary inspection, a service canine alerted to the vehicle for the possible presence of concealed persons or drugs. Border Patrol Agents observed that all of the screws in the floorboard of the vehicle had been tampered with. Agents found a hidden trap door beneath the carpet concealing bundles wrapped in black plastic and clear tape. DeLeon admitted that he was to be paid \$1000 to drive what he believed to be 20 to 30 pounds of marijuana to Houston. DeLeon

pled guilty and was sentenced to 135 months imprisonment for possession with intent to distribute 65 pounds of methamphetamine. AUSA: Dixie Morrow.

**COCAINE &  
MARIJUANA HEADED  
FOR CHICAGO AS  
WINDOW BLINDS**

Oscar Javier Guevara, 40, of Laredo drove his tractor-trailer to the U.S. Border Patrol Checkpoint located on IH-35 north of Laredo. A law enforcement canine alerted and Border Patrol agents found cocaine and marijuana concealed in boxes behind a

"cover load" of window blinds. Guevara traveled with a phony bill of lading identifying a nonexistent shipper in Laredo and nonexistent receiver in Dallas. The cocaine was valued at over \$2 million if sold on the street in Chicago. The marijuana was valued at over \$1 million. Guevara was convicted and faces a mandatory minimum sentence of 20 years up to life imprisonment. AUSA: Dixie Morrow.



### **THAI HEROIN TO HOUSTON**

Segunthani Balogun, also known as Fatai Thanni, a Nigerian National, was extradited from Bangkok, Thailand on charges of conspiracy to possess with the intent to distribute over 100 grams of heroin. He pled guilty and was sentenced to 128 months. AUSA: Daniel Rodriguez; AGENCY: DEA.

### **SPLENDORA MAN COOKING METH IN MONTGOMERY COUNTY**

Terry Dewayne Henry of Splendora was cooking methamphetamine in the Montgomery County area. He pled guilty to conspiring to possess with intent to distribute in excess of 500 grams of methamphetamine and is awaiting sentencing. AUSA: Melissa Annis; AGENCY: FBI & Woodbranch PD.

### **POSSESSION AND DISTRIBUTION OF CRACK COCAINE**

An undercover HPD Officer met with the defendant, Phillip Coleman, in a Houston federally funded public housing development, Irvinton Village. Coleman showed the officer about 9 grams of "good quality crack" which Coleman offered for \$350. It was in fact good crack and entered a guilty plea. Coleman faces a sentence of up to 40 years and a fine of \$2 million. AUSA: Richard Harris; AGENCY: HUD & HPD.

### **GUN ADDS 10 YEARS TO DRUG CHARGE**

Jorge Collazo was delivering what was supposed to be 25 ounces of crack cocaine to a buyer, an undercover HPD officer. At the delivery location, Collazo pulled a firearm and pointed it at the HPD officer and a DEA agent. Collazo was himself shot and arrested with two others. Crack cocaine and powder cocaine were recovered at the location. Collazo was sentenced to 5 years for the cocaine and 10 years for the firearm. AUSA: Glenn Cook.

## **MAJOR CRIMES**

### **EXPLOITATION OF CHILDREN**

*The district has one of the most effective programs in the nation to combat child exploitation. Major Crimes prosecutors work in close cooperation with the FBI, U. S. Customs Service, Postal Inspectors and local law enforcement to disrupt distribution of child pornography and the exploitation of children, especially over the Internet.*

### **INTERNATIONAL TRAVEL IN TO CHILD EXPLOITATION**

David Steinheimer, 38, of Aberdeen, Scotland, pled guilty to traveling with the intent to engage in sex with a minor and other counts relating to child pornography and exploitation. He used the Internet to entice a minor to engage in sexual activity and transported child pornography by computer. Steinheimer's maximum statutory sentence is up to 15 years imprisonment and up to a \$250,000 fine. He will be sentenced in June. AUSA: Daniel Rodriguez; AGENCY: FBI.

### **TRIP FROM PENNSYLVANIA LEADS TO 18 MONTHS**

Henry Buss, 56, from Media, PA was sentenced to 18 months and fined \$1,000 for traveling with the intent to engage in a sexual act with a minor. AUSA: Eric Smith; AGENCY: FBI.

### **ALVIN MAN PLEADS GUILTY OF TRANSPORTATION OF CHILD PORNOGRAPHY**

Ethan Bell, 29, of Alvin pled guilty to interstate transportation of child pornography and possession of child pornography by computer. The maximum statutory sentence defendant faces is up to 20 years in prison and/or a \$500,000 fine. AUSA: Daniel Rodriguez; AGENCY: FBI.

**HOUSTON AREA BANK ROBBERY****TASK FORCE CASES**

*The Houston Area Bank Robbery Task Force is made up of the FBI, Houston Police Department, and Harris County Sheriff's Department.*

**FIREARM ADDS TIME FOR BANK ROBBERS**

Four Men were sentenced for the robbery of Bank United in Houston. Two received 4 and 5 year sentences. The other two received 10 year sentences for use of a firearm during a crime of violence. AUSA: Jack Frels.

Dwayne Sowell, 43, of Houston was sentenced to 57 months, ordered to pay \$45,370 in restitution to Chase Bank. AUSA: Daniel Rodriguez.

Jeremy Jackson, 26, of Houston was sentenced to 57 months and \$7,050 in restitution. Jackson pled guilty to three counts of bank robbery. On May 4, 2000 Jackson robbed the Compass Bank on Mangum Street. On August 4th Jackson robbed the Bank United on San Felipe Street and August 9th the Washington Mutual Bank, FA, located on FM 1960 West. AUSA: Daniel Rodriguez.

Patricia Joyce Shaw, 45, of Cleveland, Texas, was sentenced to 46 months confinement and ordered to pay \$11,703 in restitution. Shaw pled guilty to the Woodforest National Bank robbery located in Porter. Shaw robbed the same location on March 4, 1998, when the location was known as Humble National Bank. AUSA: Daniel Rodriguez.

Andre Barnes, of Houston, was sentenced to 4 years for robbing the Hometown Bank on FM 528, the Guaranty Federal Bank on East Parkwood, and Bank One also on FM 528 in Houston. AUSA: Daniel Rodriguez.

**TEXAS★EXILE**  
**GUN CRIME MEANS HARD TIME**  
**NO PROBATION. NO PAROLE.**

**ORGANIZED CRIME FELON CONVICTED FOR CARRYING FIREARM**

Marcus Williams, 24, was stopped for a vehicle traffic violation by Houston Police in the 3400 block of Airport Blvd. Williams had an open Texas parole warrant for his arrest as well as two local Harris County warrants. The officer recovered a loaded pistol that was protruding from under the driver's seat. Williams had a prior felony record of engaging in organized crime for which he received a 6 year state prison sentence. Williams was sentenced to 57 months for possession of a firearm as a convicted felon. AUSA: Ashley Chapman; AGENCY: ATF & HPD.

**MAN INDICTED FOR FALSE STATEMENT IN THE ATTEMPTED ACQUISITION OF A FIREARM**

A federal grand jury in Houston returned a two count indictment charging James H. Valentinis-Dee, 25, of Porter, with making a false statement in the attempted acquisition of a firearm and possession of a firearm after being convicted of a felony. If convicted, the defendant faces a possible sentence of 10 years in prison and a fine of \$250,000 on each count. AUSA: Richard Harris; AGENCY: ATF, FBI, & DPS.

**LOADED GUNS AT HOME SEND CONVICTED FELON BACK TO JAIL**

Francisco Sanchez, Jr, 21, of Houston, was sentenced to 40 months for possession of a firearm after having been convicted of felony. HPD officers executed a search warrant at Sanchez's residence where they found a shotgun and pistol under his mattress. Both were fully loaded. The defendant had been previously convicted for possession of cocaine. AUSA: Richard Harris. AGENCY: ATF, Houston PD, & Harris Co. Sheriff's Office.

## **DOMESTIC VIOLENCE LEADS TO FIREARMS CHARGE**

Houston police were dispatched to 802 Seminar in Houston on a domestic call. Porter Bush's girlfriend reported that he had physically assaulted her and fled the scene. The police recovered a pistol-gripped shotgun. Bush was charged with federal firearms offenses when it was learned that he had four previous felony convictions.

Bush, 24, was found guilty of being a convicted felon in possession of a firearm. He faces up to 10 years and a fine not to exceed \$250,000. The defendant is scheduled to be sentenced in June. AUSA: Ashley Chapman; AGENCY: HPD & ATF.



*The district is participating in the Texas Exile Program in coordination with the Texas Attorney General's Office. "We are affecting the quality of life in the Southern*

*District of Texas. Those persons we are targeting through Texas Exile are those that are committing gun crimes."*

**Mervyn M. Mosbacher,  
United States Attorney**

## **FIVE TIME FELON TO SERVE 9 YEARS FEDERAL TIME**

James Edward Taylor of Houston was sentenced to 110 months in federal prison for possession of a firearm as a convicted felon.

Houston Police officers received information regarding narcotics activity taking place in the 7700 block of Independence in Houston. The officers found Taylor crouched behind a vehicle parked in front of the residence and then observed him throwing a firearm and a small bag containing marijuana and cocaine. The officers recovered the firearm, a 9 mm pistol, as well as the drug evidence. Taylor had been previously convicted of five felony offenses in Texas and Arkansas. Taylor was on parole in Texas and probation for a 1999 Arkansas felony conviction at the time of his arrest. AUSA Ashley Chapman; AGENCY: ATF & HPD.

## PUBLIC SAFETY PROGRAMS

### TEXAS★EXILE GUN CRIME MEANS HARD TIME NO PROBATION. NO PAROLE.

#### BROWNSVILLE LAUNCHES GUN VIOLENCE REDUCTION INITIATIVE

The Lower Rio Grande Valley Development is hosting a meeting of community leaders May 9<sup>th</sup> to discuss gun violence prevention measures. Consultants will present a community profile commissioned by the U. S. Attorney's Gun Violence Reductions Initiative in partnership with the Governor's Office Criminal Justice Division.

The community-based prevention and early intervention initiative compliments the enforcement measures of Texas Exile. Community gun violence studies are currently being conducted in Corpus Christi, Galveston and Houston.



This summer six Weed and Seed Sites will participate in the Drug Education for Youth (DEFY) Program at the Naval Air Station, Kingsville. Base Commander Captain J.J. Morrow extended a special invitation to the U.S. Attorney's Office and the participating Weed and Seed communities from Brownsville, Corpus Christi, McAllen, Galveston, Aldine, and Richmond. Forty kids between 9-12 from each community will attend the resident camp. DEFY is a Department of Navy program shared by DOJ to promote drug awareness and good citizenship. Classes vary from drug education to self esteem.







*Brownsville PD and BISD Police talking to youth before they walk over the bridge into Mexico.*



*Brownsville PD conducting sobriety test on youth after returning from the Mexico at the International Bridge.*



**BRIDGE DETAILS:** A Weed & Seed initiative in cooperation with the Brownsville Police Department, BISD Security, U.S. Customs, and U.S. Border Patrol to conduct sobriety checks with juveniles coming back into the county.



**UNDERAGE DRINKING INITIATIVE:** A Weed & Seed partnership with the Brownsville Police Department to address the problem of underage drinking in Brownsville. Under the Texas Zero Tolerance Law any person under the age of twenty-one in possession of alcoholic beverages can be arrested. Along with enhanced bridge details this program has a full time juvenile probation officer making presentations in the schools. To date, the probation officer has reached over 4,000 students.



**BORDER COALITION TO DETER UNDERAGE DRINKING:** Sponsored by the Texas Alcohol and Beverage Commission. The Coalition has members from both sides of the border working together to address these concerns. Brownsville Weed and Seed will be hosting a training conference in May with McAllen, Laredo, and representatives from Mexico attending. The goal of the coalition is to significantly decrease the number of underage individuals consuming alcoholic beverages in our community.



*In April, all eight Weed & Seed Sites completed Accreditation Training in Atlanta, GA. This two week course is aimed at training newly appointed Weed & Seed Coordinators and examining the community based policing methodology. The course is the first to bring veteran Weed & Seed coordinators together to attend the conference and share information on programs that work in their communities. Our thanks to the Executive Office of Weed & Seed (EOWS) for providing this outstanding training.*

*In conjunction with the March 29th unveiling of the Mobile Community Oriented Police Vehicle, Houston Mayor Lee P. Brown was presented with Official Recognition Certificates for two new Weed & Seed sites from W&S Director Stephen Rickman. The new sites - Houston's Greater Fifth Ward and Near Northside - are adjacent, inner-loop communities immediately north and northeast of Downtown.*





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